A study of Investment Awareness Among the College Teachers in Latur District

A Ph.D. Synopsis

Submitted in the Faculty of Commerce,

Swami Ramanand Teerth Marathwada University, Nanded

By

Prayag Sachin Madhukarrao

(M.Com., GDC&A)

Under the supervision & guidance of

Dr.Brijmohan Dayma

(M.Com., SET,NET,GDC&A, Ph.D.)

Head, Department of Business Economics,

Dayanand College of Commerce, Latur

December 2011

A Study of Investment Awareness Among the College Teachers in Latur District

1. Introduction

There is a meaningful sentence in the famous Forbs magazine "Money is not everything in life, but make sure that you have earn it a lot before start thinking like same."

The above quote is revealing the importance of the money in our life. Financial management and investment awareness became the success mantra for every one in current era. Investment or Financial awareness is not about earning a lot of money but it point outs that we should be very careful while spending, saving or investing it for future. Today not only the India but the whole world is facing the problems of souring prices and inflation has become a matter of great concern for all.

It is rare to find out a person who has enough money to fulfill every need or wish. Studies shows that even multi-millionaires believe that they need about twice what they have to feel worry free. As all of us know the basic rule of economy that resources are scare and wants are unlimited. Many times our financial ability proves inadequate to live up to our expectation. At this point, we realise the importance of financial awareness for our day to day life.

Investment awareness is a part of financial literacy. Finance literacy or awareness means the set of skills and knowledge that allows an individual to make informed and effective decisions through their understanding of finance. Investment and financial literacy is important to help individuals meet their life goals and objectives.

Even our government is paying much attention in the field of investments and saving by common persons through the way of small saving groups i.e. "Bachat Gats".

The Apex Financial Institution in our country SEBI i.e. Securities and Exchange Board of India, is also contributing in the programme of financial awareness among the common citizens. It has published a series of books in collaboration with National Stock Exchange (NSE) under the guidance of Advisory committee for the Investor Protection and Education Fund (IPEF).Such initiation by SEBI, aims to provide financial education to the common individual.

2. Need of the Study

Spending time and efforts on education helps us build a good career which enables us to make enough money. This in turn creates a stable financial future for us and our family. Similarly to become competent in managing money and taking good financial as well as investment decisions, we need to put time and efforts to gain knowledge and understand the realities of how money and investing works. Most of us have never spent any time or serious efforts to become aware and educate ourselves about the matters related to money or investing. Issues related to financial decisions making seems so familiar to us that we take them for granted. This is the primary reason why a lot of us have poor financial education and what is the need of financial and investment awareness.

Latur district is situated in the south-eastern Marathawada part of the Maharashtra state. The entire district of Latur is situated on the Balaghat plateau. Latur district consist of 10 tahsils/Panchayat Samitees,1 Municipal Corporation, 4 cities/towns/municipal councils, 787 gram panchayats & 945 revenue villages. Area of Latur district is 7,157 sq.km. Most of the people depend on agriculture, dairy farm, sugar factories and other industries. It has been well known for its food grain trade and oil mills.

Latur is one of the educationally advanced districts of the state. There are many educational and technical institutes. Recently, it has evolved as an education centre, primarily for secondary and higher secondary education. Latur Pattern is a phrase that recently evolved in Latur. Latur Pattern has emerged as a gold standard for secondary and higher secondary education in Maharashtra. This technique of education has been widely adopted in other places due to its consistent and successful track record of excellent results. The emphasis is more on completing the course-work early in the year and then focusing on practicing for the examinations. The professors are not just teachers, but also coaches, who take personal interest in each and every student and adapt the teaching style and practice examination regimen as per the capability of the students to cope. The Latur pattern is now growing to rest of the state.

Even though Latur is well-developed as an academic hub, the degree of investment awareness is less in academic community, mostly in college teachers. This research focuses on different aspects of investment awareness in the college teachers of Latur district. It will play an important role in spreading financial literacy especially in the context of investment awareness.

3. Objectives of the study

1. To find out the degree of Investment awareness among the various segments of college teachers.
2. To know the saving and investments habits of college teachers.
3. To calculate the risk profile of the college teachers (readiness for risk)
4. To know the borrowing habits of college teachers
5. To discover the insurance protection level of college teachers

4. Hypothesis

1. There is no difference about financial awareness among different stakeholders in College teachers of Latur district
2. College teachers save more but invests less.
3. College teachers in Latur district is less inclined towards risk investment.
4. Home loan is the most preferred product among college teachers.
5. There is 100 % insurance cover for every individual in college teachers.
6. The college teachers update itself about the new trends in investment.

5. Research Methodology and Data Collection.

"Research is a systematic and refined technique of thinking, employing specialized tools, instruments and procedures in order to obtain a more adequate solution of a problem than would be possible under possible means. It starts with a problem, collects data or facts, analyses them critically and reaches decisions based on the actual evidence." –C.C.Crawford.

As above stated definition, this research will try to collect more and more relevant information with tools like Primary and secondary collection of data.

Collection of data refers to a purposive gathering of information relevant to the subject matter of the study from the units under investigation. Primary data are original, collected by researcher for the first time for any investigation and used for statistical analysis. Secondary data are collected by others and used by others. It is mostly published in newspapers, periodicals Journals and authentic websites etc.

The primary data collection will be made by personally visiting the colleges and academic institutes in the district. The sample of 500 respondents will be selected for the study. Secondary data

will be collected from the websites, annual reports as well as publications of SEBI, NISM, RBI and other financial institutes.

6. Scope of the Study

From last two decades, Latur at local level and nearby talukas in the district have emerged as an important educational hub. Out of 370 colleges affiliated to Swami Ramanand Teerth Marathawada University, Nanded, there are 131 colleges only in Latur District. With this numerical data we can come to a conclusion that 35.41% of total affiliated colleges at S.R.T.M. University, Nanded are concentrated in Latur district only.

Such a large numbers of colleges, teaching, non-teaching staff and a considerable number of students strength, make this research work significant and being such a high quantum, it is vital to study the investment awareness of this community.

A) Periodical Scope:-

For this research study, the data will be collected for the past 10 years particularly the Secondary data, and 5 years particularly the primary data.

B) Geographical Scope:-

Latur district including its 10 talukas they are as follows

1. Ahmedpur	2.Ausa	3. Chakur
4. Deoni	5. Jalkot	6. Latur
7. Nilanga	8. Renapur	9. Shirur Anantpal
10. Udgir.		

Some selected colleges will be taken to gather information and sample data collection.

C) Operational Scope:-

This study will consider savings and investment related habits of people. Saving is what people usually do to meet short term goals. Our money is very safe in a savings account and it is usually earning a small amount of interest. It's also easy for us to get to our money when we need.

Investing means we are setting our money aside for long – term goals. There's no guarantee that the money we invest will grow. In fact, it is normal for investments to rise and fall in value over time. But in the long run, investments can earn a lot more than we can usually make in a savings account.

Saving and investment related available options at Bank Level are- Savings Bank Account, Bank Fixed Deposit (Bank FDs), Recurring Deposit Account, Special Bank Term Deposit Scheme etc. Government Schemes for Savings and Investment include National Savings Certificate (NSC), Public Provident Fund (PPF), Post Office Scheme (POS), Kisan Vikas Patra (KVP) etc.

Different investment products like Bonds , Debentures, Company Fixed Deposits, Mutual Funds, Equity etc., Insurance Policies like Life Insurance, Term Life Insurance, Endowment Policies, Annuity / Pension Policies / Funds, Units Linked Insurance Policy (ULIP), Health Insurance, Comprehensive health insurance coverage, Hospitalisation plan, Critical Illness Plans and other Specific Conditions Coverage will be considered.

7. Chapter scheme

1. Introduction
2. Research methodology
3. Investment awareness of college teachers in India
4. Investment awareness in Latur district
5. Saving and investments habits of college teachers community in Latur district.
6. Risk profile of the college teachers
7. Borrowing habits of college teachers
8. Insurance habits of college teachers
9. Conclusion and recommendations

The above chapter scheme is tentative. Depending on the actual research work it may change in the course of the study.

(Sachin Prayag)
Research scholar

(Dr.Brijmohan Dayma)
Research Guide

☼ ☼ ☼